

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--|---|----------------|
| THE APPLICATION OF SALT RIVER ELECTRIC |) | |
| COOPERATIVE CORPORATION (1) FOR AN ORDER |) | |
| PURSUANT TO KRS 278.300 AND 807 KAR 5:001, |) | |
| SECTION 11 AND RELATED SECTIONS, AUTHORIZING |) | |
| THE CORPORATION TO BORROW AN AMOUNT NOT TO |) | |
| EXCEED \$4,334,000.00 FROM THE NATIONAL BANK |) | CASE NO 96-442 |
| FOR COOPERATIVES AND (2) FOR A CERTIFICATE |) | |
| OF CONVENIENCE AND NECESSITY PURSUANT TO |) | |
| KRS 278.020[1] AND 807 KAR 5:001, SECTION 9 |) | |
| AND RELATED SECTIONS, AUTHORIZING CERTAIN |) | |
| PROPOSED CONSTRUCTION AND ASSOCIATED |) | |
| CAPITAL OUTLAY |) | |

I N T E R I M O R D E R

Salt River Electric Cooperative Corporation ("Salt River") filed its application on September 10, 1996 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$4,334,000 from the National Bank for Cooperatives ("CoBank"), and to execute its notes to secure such loan. In support of its application, Salt River filed its 1996-1999 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 3 years to serve its load.

Salt River seeks authorization to construct extensions and additions to its plant as follows:

| | |
|------------------------|--------------|
| New distribution lines | \$ 6,913,951 |
| New tie lines | 236,400 |

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| Line conversions | 2,035,720 |
| Miscellaneous Distribution Equipment | 5,066,339 |
| Security lights | <u>193,590</u> |
| Total | \$14,446,000 |

The proposed construction will enable Salt River to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Salt River indicated that it planned to borrow all necessary funds from the Rural Utilities Service ("RUS") and CoBank. Salt River's application with RUS and CoBank is pending.

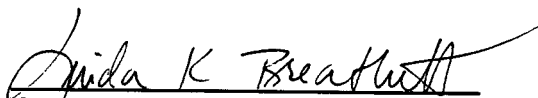
Based on the application and supporting 1996-1999 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Salt River are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

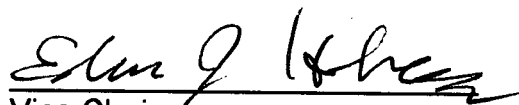
IT IS THEREFORE ORDERED that:

1. Salt River is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1996-1999 Work Plan.
2. Salt River's application for authorization to borrow \$4,334,000 from CoBank and to execute notes to secure each loan is continued generally.
3. Within 10 days of its receipt of final loan approval, Salt River shall notify the Commission in writing of the final loan approvals received from the RUS and CoBank.

Done at Frankfort, Kentucky, this 12th day of December, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director